GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2404
ANSWERED ON:18.03.2005
TRANSPARENT LOAN PROCESS
Choudhary Shri Nikhil Kumar;Shakya Shri Raghuraj Singh

Will the Minister of FINANCE be pleased to state:

(a) whether the procedure of providing loans by public sector banks is so complicated that most of the people are unable to obtain loans inspite of their desire;

(b) whether on the one hand the people need loans and on the other hand the banks have surplus funds;

(c) if so, whether the Government proposes to issue any guidelines to the banks in other to ensure providing loans to the needy people;

(d) if so,the details thereof; and

(e) if not,the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) and (b) Banks have different schemes for sanction of loans for various economic activities. Applicants who are eligible for finance and whose proposals are considered credit worthy on commercial considerations are being provided loans by the Banks. For small borrowers procedures have been simplified through various guidelines to banks as issued by the RBI. Banking system has enough liquidity to meet credit needs of the economy. Bank loans are not only based on the need of the people but also viability of the proposed activities.

(c) to (e) No, Sir. RBI has been issuing necessary guidelines to banks on priority sector advances, which include Government Schemes for needy people.